
Section 3: Sample Bank Holding Company Performance Report and Definition of Items

General Description

This section of the manual contains the sample individual BHCPR pages in the order in which they appear in the BHCPR. Definitions of financial ratios and other data are provided following a description of each BHCPR page.

month yyyy BANK HOLDING COMPANY PERFORMANCE REPORT

SAMPLE BANK HOLDING COMPANY
RICHMOND, VA

BANK HOLDING COMPANY INFORMATION

RSSD NUMBER: 1234567
FEDERAL RESERVE DISTRICT: 5
CONSOLIDATED ASSETS (\$000): 14,928,373
PEER GROUP NUMBER: 01 NUMBER IN PEER GROUP: 60
NUMBER OF BANK SUBSIDIARIES: 3

PEER GROUP NUMBER	DESCRIPTION
01	CONS ASSETS EQUAL TO OR GREATER THAN \$10 BIL
02	CONS ASSETS BETWEEN \$5 BIL AND \$10 BIL
03	CONS ASSETS BETWEEN \$1 BIL AND \$5 BIL
04	CONS ASSETS BETWEEN \$500 MIL AND \$1 BIL
05	CONS ASSETS BETWEEN \$300 MIL AND \$500 MIL
06	CONS ASSETS BETWEEN \$150 MIL AND \$300 MIL
07*	CONSOLIDATED ASSETS LESS THAN \$150 MILLION
09	ATYPICAL AND SECOND-TIER BANK HOLDING COMPANIES

ADDRESSEE:

CHIEF EXECUTIVE OFFICER
SAMPLE BANK HOLDING COMPANY
2100 VIRGINIA AVENUE
RICHMOND, VA 99999

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SPRINGFIELD, VIRGINIA AT (703) 487-4650.

NOTE

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*INCLUDES ONLY BANK HOLDING COMPANIES WITH TWO OR MORE BANK SUBSIDIARIES AND THAT HAVE OUTSTANDING DEBT TO THE GENERAL PUBLIC OR / ENGAGED IN A NONBANK ACTIVITY INVOLVING FINANCIAL LEVERAGE OR ENGAGED IN CREDIT EXTENDING ACTIVITIES. PRIOR TO MARCH 1994, HOWEVER, THE PEER GROUP WAS COMPOSED OF ALL MULTI-BANK HOLDING COMPANIES.

Introductory Page

The Introductory Page presents the report date of the BHCPR, bank holding company information, the Table of Contents, and a description of peer groups. The following facts on the subject bank holding company are printed on this report page: the name

and address of the BHC, the identification numbers assigned by the Federal Reserve System to the BHC, the district number of the Federal Reserve Bank which has regulatory authority over the BHC, its consolidated assets as of the report date,

the two-digit identifier of the peer group associated with the BHC, the number of companies that comprise its peer group, and the number of bank subsidiaries.

1234567 SAMPLE BANK HOLDING COMPANY
 RICHMOND VA FR DIS: 5
 ASSETS: 14,928,373 PEER: 01

SUMMARY RATIOS

PAGE 1

	mmm yyyy			mmm yyyy			yyyy			yyyy			yyyy		
AVERAGE ASSETS (\$000)	14,995,638			14,582,220			14,957,590			14,257,463			13,460,769		
NET INCOME (\$000)	35,417			34,020			106,964			139,488			133,124		
NUMBER OF BHCS IN PEER GROUP	60			60			61			60			61		
EARNINGS AND PROFITABILITY	BHC	PEER	01 PCT	BHC	PEER	01 PCT	BHC	PEER	01 PCT	BHC	PEER	01	BHC	PEER	01
PERCENT OF AVERAGE ASSETS:															
NET INTEREST INCOME (TE)	3.92	3.47	77	3.91	3.57	63	3.88	3.65	53	3.77	3.85		3.56	3.82	
+ NON-INTEREST INCOME	1.77	2.38	47	1.61	2.30	33	1.62	2.34	36	1.37	2.23		1.27	2.08	
- OVERHEAD EXPENSE	3.87	3.52	73	3.61	3.54	56	3.86	3.90	59	3.40	3.68		3.10	3.62	
- PROVISION FOR LOSSES	0.34	0.27	73	0.50	0.30	85	0.56	0.32	88	0.21	0.36		0.17	0.33	
+ SECURITIES GAINS (LOSSES)	0.05	0.06	60	0.10	0.07	73	0.03	0.06	43	0.02	0.05		0.01	0.05	
+ OTHER TAX EQUIV ADJUSTMENTS	0.00	0.00	51	0.00	0.00	49	0.00	0.00	49	0.00	0.00		0.00	0.00	
= PRETAX NET OPER INCOME (TE)	1.54	2.13	13	1.51	2.17	14	1.10	2.04	11	1.55	2.08		1.58	2.05	
NET OPERATING INCOME	0.94	1.33	16	0.93	1.36	14	0.72	1.28	12	0.98	1.32		0.99	1.24	
NET INCOME	0.94	1.32	16	0.93	1.34	16	0.72	1.28	12	0.98	1.32		0.99	1.24	
PERCENT OF AVG EARNING ASSETS:															
INTEREST INCOME (TE)	7.57	7.52	45	8.11	8.08	50	7.97	8.23	38	7.95	8.44		7.75	8.23	
INTEREST EXPENSE	3.30	3.65	16	3.86	4.06	42	3.74	4.14	32	3.89	4.13		3.94	3.98	
NET INTEREST INCOME (TE)	4.27	3.88	72	4.25	4.02	62	4.23	4.09	48	4.06	4.31		3.81	4.25	
LOSSES, ALLOW, AND PAST DUE+NONACCR:															
NET LN&LS LOSSES/AVG LOANS & LEASES	0.46	0.40	67	0.77	0.49	80	0.69	0.49	79	0.34	0.54		0.16	0.52	
EARNINGS COVERAGE OF NET LOSSES (X)	6.49	13.72	16	4.08	12.44	11	3.78	12.89	8	8.27	11.50		17.53	11.81	
LN&LS ALLOWANCE/TOTAL LOANS & LEASES	2.22	1.58	90	1.88	1.71	75	2.19	1.57	91	1.87	1.71		1.96	1.86	
NONACCR LNS&LS+RE ACQ/LNS&LS+RE ACQ	1.73	0.71	91	1.00	0.64	91	1.43	0.67	90	1.02	0.64		0.97	0.74	
LIQUIDITY AND FUNDING:															
NET NONCORE FUNDING DEPENDENCE	50.56	33.69	88	45.17	32.39	83	48.18	33.66	85	47.46	34.39		49.13	31.34	
NET ST NONCORE FUNDING DEPENDENCE	40.67	24.65	90	34.98	23.05	86	39.37	23.58	87	37.83	23.08		35.15	21.79	
NET LOANS AND LEASES/TOTAL ASSETS	61.77	61.74	42	61.80	60.99	42	62.82	60.91	46	60.95	61.48		59.93	61.50	
CAPITALIZATION:															
TIER 1 LEVERAGE RATIO	7.57	7.27	63	7.41	7.47	57	7.49	7.30	61	7.21	7.42		7.98	7.51	
EQUITY CAPITAL/TOTAL ASSETS	8.09	8.09	55	7.75	8.07	49	7.89	8.06	54	7.45	7.91		7.61	8.07	
NET LOANS&LS/EQUITY CAPITAL (X)	7.64	7.76	44	7.98	7.62	54	7.96	7.63	58	8.18	7.79		7.87	7.66	
CASH DIVIDENDS/NET INCOME	38.66	39.64	46	38.19	36.60	56	49.34	42.07	71	35.65	38.74		35.58	39.56	
RETAINED EARNINGS/AVG EQUITY CAP	7.26	9.85	18	7.39	10.50	18	4.67	9.16	16	8.08	10.28		8.01	9.59	
GROWTH RATES:															
ASSETS	1.15	22.67	12	5.51	21.92	19	0.14	28.46	10	7.04	17.25		6.08	15.10	
EQUITY CAPITAL	5.62	24.63	31	7.72	21.71	29	6.12	29.26	20	4.79	15.96		1.11	16.36	
NET LOANS AND LEASES	1.10	21.32	10	7.63	21.45	26	3.20	27.12	10	8.88	18.43		5.89	17.39	
NONCORE FUNDING	4.84	35.13	18	0.80	31.45	9	-0.79	37.60	13	1.03	30.89		7.54	21.13	
PARENT COMPANY RATIOS:															
SHORT-TERM DEBT/EQUITY CAPITAL	10.87	9.79	68	13.04	9.23	78	10.74	9.64	68	14.79	9.31		6.64	9.39	
LONG-TERM DEBT/EQUITY CAPITAL	7.45	23.42	40	7.87	28.03	22	7.59	23.37	38	8.06	27.65		5.63	27.64	
EQUITY INVESTMENT IN SUBS/EQUITY CAP	111.44	111.10	52	113.87	111.37	60	112.97	110.95	62	116.08	110.74		99.83	105.62	
CASH FR OP+NONCASH+OP EXP/OP EXP+DIV	116.13	136.07	55	139.02	154.52	55	156.35	156.37	70	162.31	158.20		217.49	184.81	

Summary Ratios

The Summary Ratios page provides a brief overview of the financial condition and performance of a bank holding company based on key financial ratios in the following areas: earnings and profitability, asset quality, liquidity and funding, capitalization, growth, and parent company condition. Moreover, this report page presents the dollar amounts of year-to-date average assets and net income, as well as the number of companies in the BHC's peer group. (Note: Headers on the top left corner of this page and subsequent BHCPR pages present the BHC's name, identification number, city and state, Federal Reserve District number, peer group number, and total assets.)

For a more thorough analysis, the BHCPR user should refer to the detailed information presented in subsequent pages of the performance report. Below are definitions of items appearing on this report page.

Average Assets (\$000)

The year-to-date cumulative sum of the quarterly average consolidated assets divided by the number of calendar quarters to date (four-point average). Effective as of March 31, 1994, the average of consolidated assets reflects the amortized cost (instead of the fair value) of available-for-sale debt and equity securities.

An asterisk that appears beside this line item name indicates that the current quarter financial statements reflect a business combination using the pooling-of-interest method of accounting. An @ symbol signifies that the current quarter financial statements are restated due to new or revised Statements of Financial Accounting Standards.

Net Income (\$000)

The amount of net income after extraordinary items.

Number of BHCs in Peer Group

The total number of bank holding companies in the peer group to which an individual bank holding company belongs. (See the definition of BHCPR peer groups on page 2-2.)

Earnings and Profitability

Percent of Average Assets

Net Interest Income (TE)
(Percent of Average Assets)

Net interest income on a taxable equivalent basis divided by average assets.

Non-Interest Income
(Percent of Average Assets)

Total non-interest income divided by average assets.

Overhead Expense
(Percent of Average Assets)

The sum of salaries and employee benefits, expense on premises and fixed assets (net of rental income), and other non-interest expenses divided by average assets.

Provision for Losses
(Percent of Average Assets)

The sum of the provision for loan and lease losses and the provision for allocated transfer risk divided by average assets.

Securities Gains (Losses)
(Percent of Average Assets)

The difference between the sale price and amortized cost of securities that are classified as held-to-maturity or available-for-sale (or securities not held in trading accounts prior to the March 1994 quarter) divided by average assets. Included in realized losses are write-downs of the cost basis resulting from other-than-temporary impairments.

Other Tax Equivalent Adjustments
(Percent of Average Assets)

Other tax equivalent adjustments, excluding the tax benefit on tax-exempt interest income, divided by average assets. (See the discussion of tax equivalency on page 2-3.)

Pretax Net Operating Income (TE)
(Percent of Average Assets)

Income or loss before income taxes, extraordinary items, and other adjustments on a taxable equivalent basis divided by average assets.

Net Operating Income
(Percent of Average Assets)

Income after applicable income taxes and minority interest but before extraordinary items and other adjustments divided by average assets.

Net Income
(Percent of Average Assets)

The amount of net income after applicable taxes, minority interest, extraordinary items, and adjustments divided by average assets.

Percent of Average Earning Assets

Interest Income (TE)
(Percent of Average Earning Assets)

Total interest income on a taxable equivalent basis divided by average earning assets. (See the definition of average earning assets on page 3-13.)

Interest Expense
(Percent of Average Earning Assets)

Total interest expense divided by average earning assets. (See the definition of average earning assets on page 3-13.)

Net Interest Income (TE)
(Percent of Average Earning Assets)

Net interest income on a taxable

equivalent basis divided by average earning assets. (See the definition of average earning assets on page 3-13.)

Losses, Allowance, and Past Due and Nonaccrual Loans and Leases

Net Loan and Lease Losses/ Average Loans and Leases

Gross loan and lease losses minus recoveries divided by (four-point) average loans and leases, net of unearned income. (See the definition of average loans and leases on page 3-13.)

Earnings Coverage of Net Losses (X)

Income before taxes, minority interest, and extraordinary items plus the provision for possible loan and lease losses (including the provision for allocated transfer risk) divided by net loan and lease losses. (This ratio is not expressed as a percent and is, therefore, not multiplied by 100.)

Loan and Lease Allowance/Total Loans and Leases

Allowance for possible loan and lease losses, including the allocated transfer risk reserve, divided by total loans and leases, net of unearned income.

Nonaccrual Loans and Leases Plus Real Estate Acquired/Loans and Leases Plus Real Estate Acquired

The sum of loans and leases in nonaccrual status and real estate acquired in satisfaction of debt previously contracted divided by the sum of loans and leases (net of unearned income) and real estate acquired in satisfaction of debt previously contracted.

Liquidity and Funding

Net Noncore Funding Dependence

The difference between noncore funding and short-term investments divided by long-term assets.

“Noncore Funding” is the sum of time deposits with balances of \$100,000 or more, deposits in foreign offices and Edge or Agreement subsidiaries, federal funds purchased and securities sold under agreements to repurchase, commercial paper, other borrowings (including mortgage indebtedness and obligations under capitalized leases), and brokered deposits less than \$100,000. (Note: Values printed for periods prior to March 1996 do not include the last component.)

“Short-term investments” is defined as the sum of interest-bearing bank balances, federal funds sold and securities purchased under agreements to resell, debt securities with a remaining maturity of one year or less, and acceptances of other banks. (Note: Values printed for periods prior to March 1996 reflect debt securities with an *original* maturity of one year or less and exclude the last two components.)

“Long-term assets” is comprised of loans and leases (net of unearned income, allowance for loan and lease losses, and allocated transfer risk reserve), debt securities with a remaining maturity of over one year, equity securities, and real estate owned that were acquired in satisfaction of debts previously contracted, minus acceptances of other banks. (Note: Values printed for periods prior to March 1996 reflect debt securities with an *original* maturity of over one year and exclude the last two components.)

Net Short-Term Noncore Funding Dependence

The difference between short-term noncore funding and short-term investments divided by long-term assets.

“Short-term Noncore Funding” is the sum of commercial paper, federal funds purchased and securities sold under agreements to repurchase, and the following liability items with a remaining maturity of one year or less: time deposits with balances of

\$100,000 or more, deposits in foreign offices and Edge or Agreement subsidiaries, other borrowings (including mortgage indebtedness and obligations under capitalized leases), and brokered deposits less than \$100,000. (Note: Data are not available for periods prior to March 1996.)

(See the definitions of short-term investments and long-term assets above.)

Net Loans and Leases/Total Assets

Loans and lease financing receivables, net of unearned income, allowance for loan and lease losses, and allocated transfer risk reserve, divided by total assets.

Capitalization

Tier 1 Leverage Ratio

Tier 1 capital divided by average assets for the latest quarter (as reported in Schedule HC-E of the FR Y-9C report form). “Average assets” is adjusted by deducting the sum of goodwill, excess MSAs, PCCRs and NMSAs, non-grandfathered other identifiable intangible assets, and deferred tax assets in excess of the regulatory capital limit. (See the definition of the Tier 1 capital components in the Risk-Based Capital section of this manual beginning on page 3-59.)

Equity Capital/Total Assets

Total equity capital divided by total assets.

Net Loans and Leases/Equity Capital (X)

Loans and lease financing receivables, net of unearned income, allowance for loan and lease losses, and allocated transfer risk reserve divided by total equity capital. (Note: This ratio is expressed as the number of times (not a percent) as denoted by “X” in the caption above

and, therefore, is not multiplied by 100.)

Cash Dividends/Net Income

Total cash dividends declared divided by net income.

Retained Earnings/Average Equity Capital

The difference between net income and cash dividends declared divided by average equity capital (four-point average). See page 3-77 for the definition of average equity capital.

Growth Rates

This section presents the twelve-month growth rates of assets, equity capital, loans and leases (net of unearned income, allowance for

loan and lease losses, and allocated transfer risk reserve), and noncore funding. (See the definition of the one-year percentage change on page 2-4.)

Parent Company Ratios

Short-Term Debt/Equity Capital

Borrowings with a remaining maturity of one year or less, including commercial paper, divided by total equity capital.

Long-Term Debt/Equity Capital

The sum of other borrowed funds with a remaining maturity of greater than one year, mandatory convertible securities, and subordinated notes and debentures, including limited-life preferred stock and

related surplus, divided by total equity capital.

Equity Investment in Subsidiaries/Equity Capital

Equity investment in bank subsidiaries and associated banks, in nonbank subsidiaries and associated nonbank companies, and in subsidiary bank holding companies divided by total equity capital.

Cash Flow from Operations Plus Noncash Items Plus Operating Expense/Operating Expense Plus Dividends

The sum of cash flow provided by operating activities, total operating expense, and noncash items included in operating expense divided by the sum of total operating expense and cash dividends declared.

1234567 SAMPLE BANK HOLDING COMPANY
 RICHMOND VA FR DIS: 5
 ASSETS: 14,928,373 PEER: 01

INCOME STATEMENT - REVENUES AND EXPENSES (\$000)

PAGE 2

	mm	mm	yyy	yyy	yyy	PERCENT 1-YR	CHANGE 5-YR
	yyy	yyy	yyy	yyy	yyy		
INTEREST AND FEES ON LOANS	186,788	194,229	779,564	733,329	682,897	-3.8	46.3
INCOME FROM LEASE FINANCING RECEIVABLES	8,269	6,012	25,698	35,378	27,651	37.5	110.1
FULLY TAXABLE INCOME ON LOANS AND LS	195,043	200,230	805,220	768,657	710,526	-2.6	48.2
TAX EXEMPT INCOME ON LOANS AND LS	14	11	42	50	22	27.3	180.0
EST TAX BENEFIT ON INC ON LOANS & LS	4	4	13	23	16	-1.4	-10.3
INCOME ON LOANS AND LEASES (TE)	195,061	200,245	805,275	768,730	710,564	-2.6	48.2
INVESTMENT INTEREST INCOME (TE)	55,877	61,960	240,278	237,229	219,094	-9.8	15.6
INTEREST ON DUE FROM DEPOSITORY INST	7,397	8,884	45,414	42,376	43,433	-16.7	-4.0
INTEREST INCOME ON OTHER EARNING ASSETS	2,506	1,158	3,146	2,354	1,840	116.4	353.2
TOTAL INTEREST INCOME (TE)	260,841	272,247	1,094,113	1,050,689	974,931	-4.2	38.6
INTEREST ON TIME DEPOSITS OF \$100K OR MORE	10,933	12,337	51,653	52,232	52,672	-11.4	128.8
INTEREST ON TIME DEPOSITS < \$100K	16,113	20,792	76,429	83,436	NA	-22.5	NA
INTEREST ON FOREIGN OFFICE DEPOSITS	24,315	29,591	120,470	115,891	101,179	-17.8	94.4
INTEREST ON OTHER DEPOSITS	14,495	17,547	68,966	67,928	130,868	-17.4	-41.7
INTEREST ON OTHER BORROWED FUNDS	45,041	47,264	187,942	185,998	202,758	-4.7	34.7
INTEREST ON SUB DEBT & MAND CONV SEC	2,808	2,081	8,322	8,326	8,349	34.9	29.8
TOTAL INTEREST EXPENSE	113,705	129,612	513,782	513,811	495,826	-12.3	46.2
NET INTEREST INCOME (TE)	147,136	142,635	580,331	536,878	479,105	3.2	33.2
NON-INTEREST INCOME	66,312	58,638	241,579	195,889	171,496	13.1	56.6
ADJUSTED OPERATING INCOME (TE)	213,448	201,273	821,910	732,767	650,601	6.1	39.7
OVERHEAD EXPENSE	144,906	131,489	577,661	484,715	416,951	10.2	63.1
PROVISION FOR CREDIT LOSSES	12,590	18,303	84,014	30,338	22,227	-31.2	52.5
PROVISION FOR ALLOCATED TRANSFER RISK	0	0	0	0	0	NA	NA
SECURITIES GAINS (LOSSES)	1,950	3,520	4,449	2,591	973	-44.6	++++
OTHER TAX EQUIVALENT ADJUSTMENTS	0	0	0	58	3	NA	NA
PRETAX NET OPERATING INCOME (TE)	57,902	55,001	164,684	220,363	212,399	5.3	3.9
APPLICABLE INCOME TAXES	22,123	20,556	56,649	78,512	76,696	7.6	5.9
TAX EQUIVALENT ADJUSTMENTS	155	173	625	875	1,135	-10.4	-64.0
APPLICABLE INCOME TAXES (TE)	22,278	20,729	57,274	79,387	77,831	7.5	4.5
MINORITY INTEREST	207	252	446	1,488	1,444	-17.9	527.3
NET OPERATING INCOME	35,417	34,020	106,964	139,488	133,124	4.1	3.0
NET EXTRAORDINARY GAINS (LOSSES)	0	0	0	0	0	NA	NA
NET INCOME	35,417	34,020	106,964	139,488	133,124	4.1	3.0
MEMORANDA:							
INVESTMENT SECURITIES INCOME (TE):							
U.S. TREASURY AND AGENCY SEC	51,701	56,760	218,480	218,511	204,294	-8.9	12.4
MUNICIPAL SECURITIES (BOOK)	507	517	2,060	1,801	2,329	-1.9	-28.6
MUNICIPAL SECURITIES (TE)	658	686	2,672	2,595	3,445	-4.1	-42.1
DOMESTIC DEBT SECURITIES	71	22	89	152	535	222.7	-91.2
FOREIGN DEBT SECURITIES	2,108	3,267	14,812	14,488	4,186	-35.5	++++
DOMESTIC EQUITY SECURITIES	1,339	1,225	4,225	1,483	6,634	9.3	330.6
FOREIGN EQUITY SECURITIES	0	0	0	0	0	NA	NA
CASH DIVIDENDS DECLARED:							
COMMON	13,691	12,992	52,776	49,725	47,361	5.4	24.1
PREFERRED	13,691	12,992	52,776	49,725	47,361	5.4	24.1
	0	0	0	0	0	NA	NA

Income Statement—Revenues and Expenses

BHCPR page 2 details the major income and expense components of the subject bank holding company's consolidated income. In addition, an estimate of the tax benefit derived from tax-exempt income is allocated between municipal loans and leases and municipal securities. By adding the tax benefit to interest income, the dollar amounts of income on loans and leases, investment interest income, total interest income, net interest income, adjusted operating income, and pretax net operating income are converted to a fully tax equivalent basis.

The memoranda section presents the components of investment securities income and the portion of income paid as dividends to each type of stockholder. The last two columns on the right present one- and five-year growth rates for each income and expense category. (See the description of Growth Rates on page 2-4.)

Information on this report page is primarily obtained from the Consolidated Income Statement (Schedule HI) of the FR Y-9C report form. (See Appendix F.)

Interest and Fees on Loans

Interest and yield-related fee income on domestic and foreign loans including obligations (other than securities) of states and political subdivisions in the U.S.

Income from Lease Financing Receivables

Income from taxable and tax-exempt lease financing receivables.

Fully Taxable Income on Loans and Leases

The sum of interest and fee income on loans (excluding interest on tax-exempt obligations of states and political subdivisions in the U.S.) and taxable lease financing receivables.

Tax Exempt Income on Loans and Leases

Tax-exempt interest income on obligations of states and political subdivisions in the U.S. and lease financing receivables.

Estimated Tax Benefit on Income on Loans and Leases

The estimated tax benefit attributable to tax-exempt loan and lease income. (See the discussion of tax equivalency on page 2-3.)

Income on Loans and Leases (TE)

The sum of taxable and tax-exempt income on loans and lease financing receivables and the estimated tax benefit on the tax-exempt income on loans and leases. (See the discussion of tax equivalency on page 2-3.)

Investment Interest Income (TE)

Income on U.S. Treasury securities and U.S. government agency and corporate obligations, on securities issued by states and political subdivisions in the U.S., and on other debt and equity securities not held in trading accounts plus the estimated tax benefit on tax-exempt municipal securities. (See the discussion of tax equivalency on page 2-3.)

Interest on Balances Due from Depository Institutions

Interest income on balances due from depository institutions that are held in the BHC's U.S. and foreign offices, Edge or Agreement subsidiaries, International Banking Facilities, and consolidated subsidiaries.

Interest Income on Other Earning Assets

The sum of interest income on federal funds sold and securities purchased under agreements to resell, interest income on assets held in trading accounts, and other interest income.

Total Interest Income (TE)

Total interest income plus the tax equivalent adjustment. (See the discussion of tax equivalency on page 2-3.)

Interest on Time Deposits of \$100 Thousand or More

Interest expense on time deposits of \$100,000 or more in domestic offices.

Interest on Time Deposits below \$100 Thousand

Interest expense on time deposits of less than \$100,000 in domestic offices.

Interest on Foreign Office Deposits

Interest expense on deposits in foreign offices, Edge and Agreement subsidiaries, and International Banking Facilities as reported in Schedule HI of the FR Y-9C.

Interest on Other Deposits

Interest expense on other domestic deposits as reported in Schedule HI of the FR Y-9C.

Interest on Other Borrowed Funds

Interest expenses on federal funds purchased and securities sold under agreements to repurchase, other borrowed funds, and other liabilities.

Interest on Subordinated Debt and Mandatory Convertible Securities

Interest expenses on subordinated notes and debentures and on mandatory convertible securities (equity contract notes and equity commitment notes) as reported in Schedule HI of the FR Y-9C.

Total Interest Expense

Interest expenses on time and other deposits in domestic offices, depos-

its in foreign offices, Edge or Agreement subsidiaries and International Banking Facilities, federal funds purchased and securities sold under agreements to repurchase, other borrowed funds (including mortgage indebtedness and obligations under capitalized leases), subordinated notes and debentures, mandatory convertible securities, and other liabilities.

Net Interest Income (TE)

Net interest income plus the taxable equivalent adjustment. (See the discussion of tax equivalency on page 2-3.)

Non-Interest Income

The sum of income from fiduciary activities, service charges on deposit accounts, other service charges, commissions and fees, trading revenue, and other non-interest income.

Adjusted Operating Income (TE)

The sum of net interest income on a taxable equivalent basis and non-interest income. (See the discussion of tax equivalency on page 2-3.)

Overhead Expense

Total non-interest expense including salaries and employee benefits, expense on premises and fixed assets (net of rental income), and other non-interest expense.

Provision for Credit Losses

The year-to-date provision for credit losses.

Provision for Allocated Transfer Risk

The year-to-date provision for allocated transfer risk as specified in Section 905(a) of the International Lending Supervision Act of 1983, in the agency regulations implementing the Act (Subpart D of Federal Reserve Regulation K), Part 351 of the FDIC's Rules and Regulations, and Part 20 of the Comptroller of the Currency's Regulations), and in any guidelines, letters, or instructions issued by the agencies.

Securities Gains (Losses)

The difference between the sale price and the amortized cost realized from the sale, exchange, redemption, or retirement of debt securities classified as held-to-maturity or on debt and equity securities that are classified as available-for-sale.

Other Tax Equivalent Adjustments

Other tax equivalent adjustments, excluding the tax benefit on tax-exempt interest income. (See the discussion of tax equivalency on page 2-3.)

Pretax Net Operating Income (TE)

Income before income taxes, extraordinary items, and other adjustments on a taxable equivalent basis. (See the discussion of tax equivalency on page 2-3.)

Applicable Income Taxes

The total estimated federal, state, local, and foreign income tax expense as reported in Schedule HI of the FR Y-9C.

Taxable Equivalent Adjustments

The total taxable equivalent adjustment which results from subtracting the reported pretax income on the income statement from the fully taxable equivalent pretax income.

Applicable Income Taxes (TE)

The sum of applicable income taxes and total taxable equivalent adjustments. (See the discussion of tax equivalency on page 2-3.)

Minority Interest

The portion of income (or loss) before extraordinary items and cumulative effects of changes in accounting principles allocated to minority shareholders of less than wholly owned subsidiaries.

Net Operating Income

Income before extraordinary items and other adjustments as reported in Schedule HI of the FR Y-9C.

Net Extraordinary Gains (Losses)

Material aggregate extraordinary gains or losses, net of applicable income taxes.

Net Income

The amount of net income after extraordinary gains (losses) as reported in Schedule HI of the FR Y-9C.

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Investment Securities Income (TE)

U.S. Treasury and Agency Securities

Interest income on U.S. Treasury securities and U.S. government agency and corporation obligations.

Municipal Securities (Book)

Interest income on securities issued by states and political subdivisions in the U.S.

Municipal Securities (TE)

Interest income on securities issued by states and political subdivisions in the U.S. on a taxable equivalent basis. (See the discussion of tax equivalency on page 2-3.)

Domestic Debt Securities

Interest income on U.S. debt securities that are designated as held-to-maturity or available-for-sale.

Foreign Debt Securities

Interest income on foreign debt securities that are designated as held-to-maturity or available-for-sale.

Domestic Equity Securities

Dividend income on U.S. equity securities that are designated as available-for-sale.

Foreign Equity Securities

Dividend income on foreign equity securities that are designated as available-for-sale.

Cash Dividends Declared

(Cash dividends declared on common stock and preferred stock during the calendar year-to-date, including dividends not payable until after the report date.)

Common

Cash dividends declared on common stock during the calendar year-to-date including dividends not payable until after the report date.

Preferred

Cash dividends declared on preferred stock (including limited-life preferred stock) during the calendar year-to-date including dividends not payable until after the report date.